

Analysis Of Factors Affecting Financial Performance In Foods And Beverage Companies Listed In Indonesia Stock Exchange 2018-2020 Period

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Abstract

His study has a goal, namely to examine the effect of the Current Ratio, Debt to Equity Ratio, Net Profit Margin, and Return On Equity on the Financial Performance of a manufacturing company listed on the Indonesia Stock Exchange. This study was carried out using a Quantitative Research approach. The research category is Descriptive Research. The population of this research is 75 Manufacturing Companies listed on the Indonesia Stock Exchange 2018-2020. The sampling technique used was the purposive sampling technique and 45 sample companies were obtained within 3 years. Related variables in this study are Liquidity (Current Ratio), Solvency (Debt to Equity Ratio), Profitability (Net Profit Margin), Profitability (Return On Equity), and Financial Performance (Return On Assets). The results of this study prove that the partial (t-test): CR, DER, NPM, and ROE have no significant effect on financial performance (ROA). Simultaneously (f test), the probability scale (Sig.) is $0.000 < 0.05$, and the results from Fount $401.450 > 2.60$ are Ftable results. Then the result of the calculation is 2.60. And the results of statistical testing can be concluded that the Independent Variables: Current Ratio, Debt to Equity Ratio, Net Profit Margin, and Return On Equity have a significant influence on financial performance (Return On Assets).

Keywords: Current Ratio, Debt To Equity Ratio, Net Profit Margin, Return On Equity, and Return On Assets

I. INTRODUCTION

The area where production activities take place, as well as the gathering place for all production factors, is the understanding of the Company. The purpose of a corporation is to seek and get as much profit or profit as possible [1]. Profits or profits obtained through activities that have been carried out by the company describe a picture of a company's financial performance in carrying out its business [2]. The liquidity available in a company must be sufficient, it should not be too small because it can hamper daily operational needs, but the level of liquidity should not be too large because it can reduce efficiency which has an impact on the low level of profitability. A good company is a company that has a high level of liquidity so that the company can pay off the company's short-term debt so that the company's operational turnover is not disrupted and works smoothly. If the liquidity level of a company is declared good, the company must have doubled its short-term debt so that its short-term debt is not disrupted [3]

Knowing the company's financial condition, researchers used four types of ratios. Liquidity Ratio to understand the company's capability to meet short-term debt obligations [4]. Solvency Ratio is used to understand the extent to which the company's assets are financed through debt, measured using the Debt To Equity Ratio [5]. Profitability ratios are used to see and assess the company's ability to earn profits or profits are measured using Net Profit Margin and profitability ratios are used to assess the company's ability to earn profits

and can measure the level of effectiveness of company management measured using Return On Equity [6]. The description of these four ratios is useful for measuring their influence on the financial performance of manufacturing companies listed on the Indonesia Stock Exchange, measured using Return On Assets.

Table 1. The following is a list of 25 Food and Beverages manufacturing companies

NO	NAMA PERUSAHAAN	KODE EMITEN	NO	NAMA PERUSAHAAN	KODE EMITEN
1	Tiga Pilar Sejahtera Food Tbk	AISA	14	Indofood Sukses Makmur Tbk	INDF
2	Tri Banyan Tirta Tbk	ALTO	15	Mulia Boga Raya Tbk	KEJU
3	Campina Ice Cream Industry Tbk	CAMP	16	Multi Bintang Indonesia Tbk	MLBI
4	Wilmar Cahaya Indonesia Tbk	CEKA	17	Mayora Indah Tbk	MYOR
5	Sariguna Primateirta Tbk	CLEO	18	Prima Cakrawala Abadi Tbk	PCAR
6	Wahana Interfood Nusantara	COCO	19	Prashida Aneka Niaga Tbk	PSDN
7	Delta Djakarta Tbk	DLTA	20	Palma Serasih Tbk	PSGO
8	Diamond Food Indonesia Tbk	DMND	21	Nippon Indosari Corporindo Tbk	ROTI
9	Sentra Food Indonesia Tbk	FOOD	22	Sekar Bumi Tbk	SKBM
10	Garudafood Putra Putri Jaya Tbk	GOOD	23	Sekar Laut Tbk	SKLT
11	Buyung Poetra Sembada Tbk	HOKI	24	Siantar Top Tbk	SITP
12	Indofood CBP Sukses Makmur Tbk	ICBP	25	Ultrajaya Milk Industry and Trading Company Tbk	ULTJ
13	Era Mandiri Cemerlang Tbk	IKAN			

The Consumer Goods Industry has become a major sector and has become an important pillar in Manufacturing Companies.

Table 2. Research Phenomena
(Expressed in Rupiah)

Issuer Code	Years	Current Assets	Total Capital	Net Sales	Net Profit	Total Assets
ICBP	2018	14.121.568.000.000	22.707.150.000.000	38.413.407.000.000	4.658.781.000.000	34.367.153.000.000
	2019	16.624.925.000.000	26.671.104.000.000	42.296.703.000.000	5.360.029.000.000	38.709.314.000.000
	2020	20.716.223.000.000	50.318.053.000.000	46.641.048.000.000	7.418.574.000.000	103.588.325.000.000
MORE	2018	12.647.858.727.872	8.542.544.481.694	24.060.802.395.725	1.760.434.280.304	17.591.706.426.634
	2019	12.776.102.781.513	9.899.940.195.318	25.026.739.472.547	2.039.404.206.764	19.037.918.806.473
	2020	12.838.729.162.094	11.271.468.049.958	24.476.953.742.651	2.098.168.514.645	19.777.500.514.550

Based on the table above, describes two types of food and beverage manufacturing companies showing a phenomenon that has occurred in the company PT. Indofood Sukses Makmur Tbk (ICBP) starting in 2019 and continuing in 2020, recording an increase in Current Assets of Rp. 4,091,298,000,000. Meanwhile Net Profit after Tax recorded an increase from IDR 5,360,029,000,000 in 2019 to IDR 7,418,574,000,000 in 2020. PT. Indofood also recorded an increase in Net Sales of IDR 3,883,296,000,000 from 2018 to 2019.

At the company PT. Mayora Indah Tbk (MYOR) starting in 2019 and continuing in 2020, it recorded an increase in Total Capital of Rp. 1,371,527,854,640. Meanwhile Net Profit after Tax recorded an increase of Rp. 1,760,434,280,304 in 2018 to Rp. 2,039,404,206.764 in 2019. The company also experienced a decrease in the amount of Net Sales by Rp. 25,026,739,472,547 in 2019 and 2020 of Rp. 24,476,953,742,651. While in Total Assets, this company increased from Rp. 17,591,706,426,634 in 2018 to Rp. 19,037,918,806,473 in 2020.

Framework

The following is the relationship between the Independent Variable (x) and the Dependent Variable (y) in this study

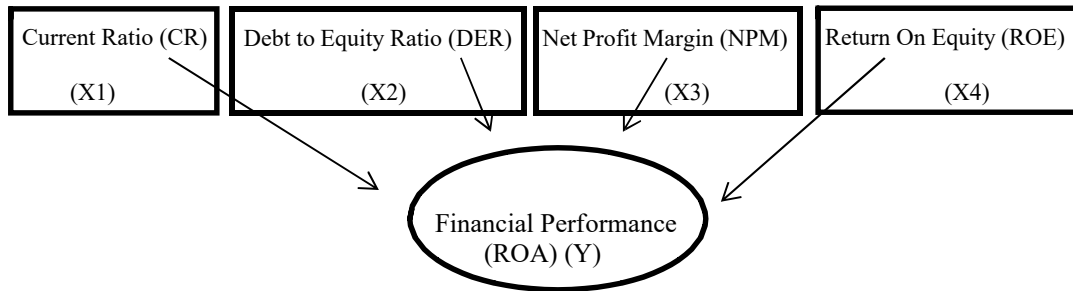


Fig 2. Theoretical Thinking Framework

II. METHODS

Researchers used qualitative and quantitative research methods. Quantitative research is a research approach that is large enough to use numbers, such as data collection, translation of the data that has been obtained, and presenting the results. [7].

This research was carried out on data from manufacturing companies listed on the Indonesia Stock Exchange in 2018-2020. The data in this study were obtained through the Indonesia Stock Exchange Office Jl Ir. H. Juanda Baru no. A5 – A6, Medan City, North Sumatra. And this research will start in May 2021. Data category: Quantitative & Qualitative. Meanwhile, quantitative data are figures obtained through the financial reports of food and beverages manufacturing companies for the period 2018 - 2020 which are listed on the Indonesia Stock Exchange, and qualitative data in the form of information in the form of verbs regarding the definition of variables and a description of a company's financial performance. And the data source can be obtained through the official website: www.IDX.co.id.

A variable in research is a sign, traitor point of an object or activity that has a chosen variation that has been determined by the researcher to be understood and can conclude [8].

The population in this study is a food and beverage manufacturing company listed on the Indonesia Stock Exchange which lists its financial statements in 2018-2020. The sample selection uses a purposive sampling technique, namely taking a sample using the type or set criteria. The sampling criteria are presented in the following table:

1. Food & beverage companies that are listed on the Indonesia Stock Exchange in 2018 – 2020
2. Food & beverage companies on the Indonesia Stock Exchange that made consecutive profits in 2018 – 2020

Table 3. Population and Sample

Description	Amount
The research population of companies included in food and beverage company on the Indonesia Stock Exchange for the period 2018 - 2020	25
Criteria:	
Food and beverage companies that are not listed consecutively on the Indonesia Stock Exchange in 2018 – 2020	5
Food and beverage companies on the Indonesia Stock Exchange that did not earn consecutive profits in 2018 - 2020	10
Companies that are sampled in the study	15

Total Observations = 15×3	45
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III. RESULTS AND DISCUSSION

Classic Assumption Test Results

The Classic Assumption Test used is very necessary to be a requirement and to know the correct regression estimation results.

Normality test

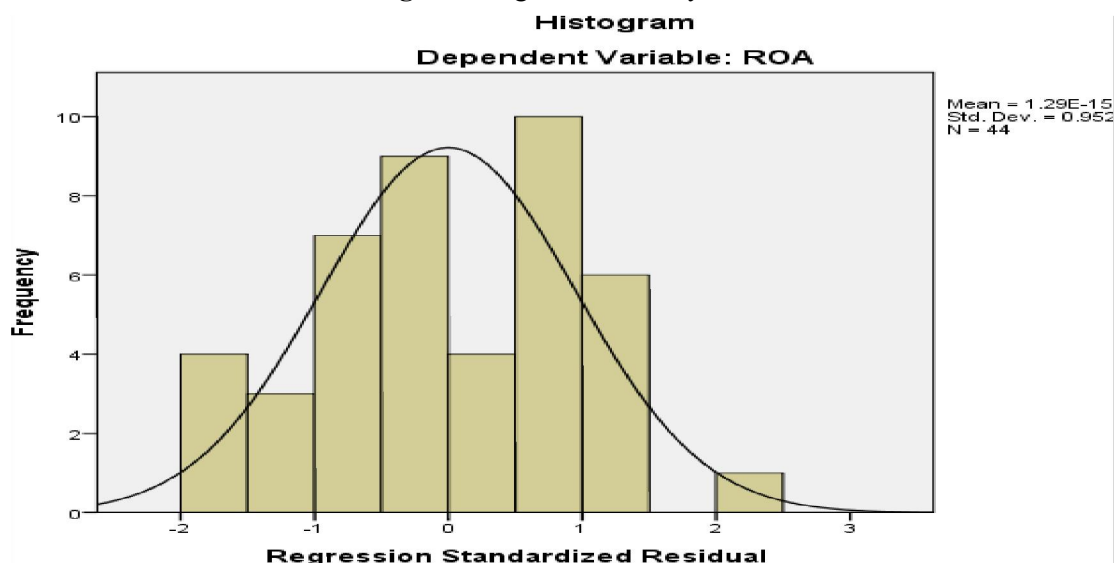
The normality test aims to find out whether the residual value obtained by the regression model (dependent and independent variables) has a normal distribution or not. The author conducted this test using the One-Sample Kolmogorov-Smirnov Test on SPSS-22. The aim is to find out that it is said to be significant if the result is more than 0.05 (sig 0.05). The following is an explanation and results of the normality test:

Table 4. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Standardized Residual
N		44
Normal Parameters ^b	Mean	.0000000
	Std. Deviation	.01324602
Most Extreme Differences	Absolute	.091
	Positive	.081
	Negative	-.091
Test Statistic		.091
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Based on the table data, it can be seen the value of Sig. on the Kolmogorov-Smirnov section, is 0.200 and is very much more than the Kolmogorov-Smirnov value of 0.05. So it can be seen if the distribution of the data obtained is normal. So all variables in this study are normally distributed.

Fig 3. Histogram Normality Test



Based on the appearance of the image above, the curve line is in the middle and is not too dominant to the right or the left. These results may be stated that the residuals are obtained from the results of a normal distribution.

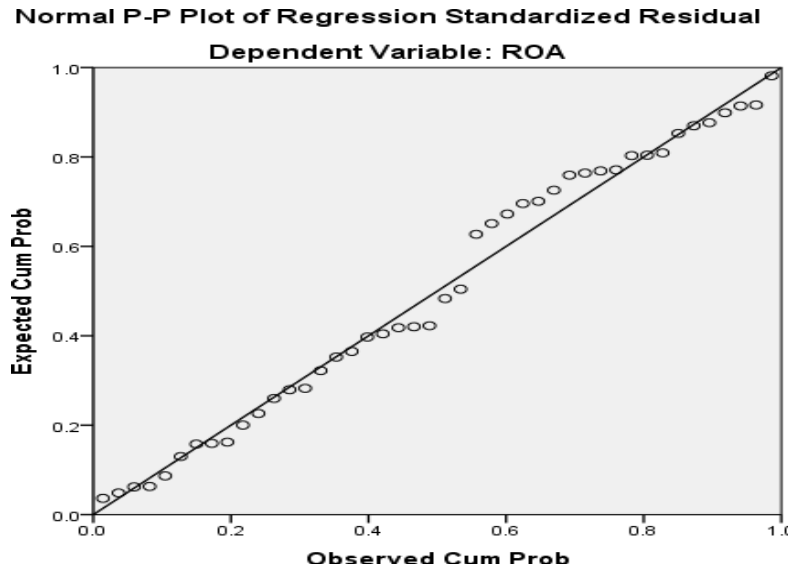


Fig 4. Normality-Probability Plot.

Test based on the graphic above, depicting the points in the image following a slanted/diagonal line so it can be concluded that the data is normally distributed.

Multicollinearity Test

The purpose of this test is to find out in the regression model whether there is a correlation between independent variables (free). This test uses a statistical tool, namely the variance inflation factor (VIF), provided that if the results of the tolerance value are 0.10 and VIF 10, there is no multicollinearity. The following is an explanation and table of test results:

Table 5. Multicollinearity Test Results

		Coefficients					Collinearity Statistics
		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta	t	Sig.	Tolerance
Model 1	(Constant)	.066	.007		8.854	.000	
	Current Ratio	-.002	.001	-.085	-2.580	.014	.563
	DER	-.065	.008	-.293	-7.933	.000	.446
	NPM	.198	.034	.217	5.730	.000	.424
	ROE	.381	.018	.900	21.60	.000	.350

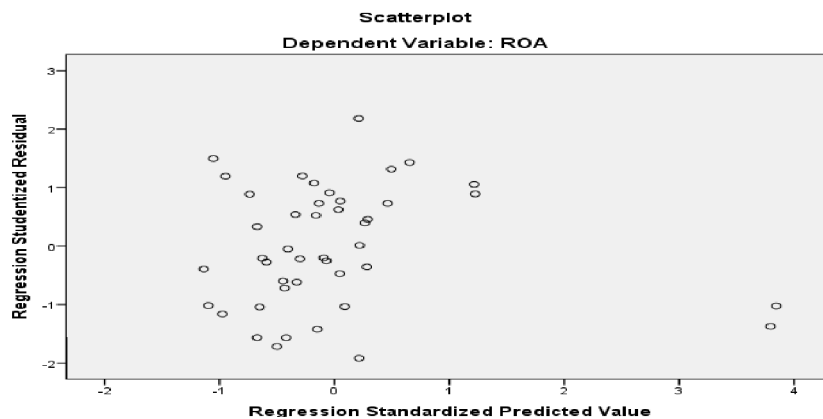
Dependent Variable: RO

The results of the data processing table above can show that the tolerance value in the Current Ratio is 0.563 0.1, the Deb To Equity Ratio (DER) is 0.446 0.1, the Net Profit Margin (NPM) is 0.424 0.1, and Return On Equity (ROE) value is 0.350 0.1 while the VIF value at current ratio is 1.775 10, Debt To Equity Ratio (DER) is 2.242 10, Net Profit Margin (NPM) is 2.357 10 and Return On Equity (ROE) amounts to 2,857 10. This explains the tolerance value of 0.10 and the value at VIF 10. Then it is concluded that through the processing results there is no multicollinearity and no correlation between independent variables (independent).

Heteroscedasticity Test

This experiment has a goal, namely to understand whether in a regression model there is an inequality of variance starting at the residual 1 observation, then moving on to other observations. The characteristic of choosing a decision is that there is no heteroscedasticity, namely the existence of data points that spread at the top and bottom or around the number (0). The position of these points does not gather at the top or bottom only. As for the spread of all data points, it cannot describe the shape of a pattern that is wavy, narrows, or widens again. And the spread of data points cannot be patterned.

Fig 5. Heteroscedasticity Test Results



Based on the image above or the output results, it can be seen that the existing points do not show the shape of a clear pattern, as well as randomly spreading up and down the number 0 on the y-axis. Thus, it can be concluded that there is no ongoing problem of heteroscedasticity.

Uji Autokorelasi

Is a test to find out whether in a linear regression model there is a correlation between the error in period (t) to the previous error in period t. A good regression model should be regression-free from autocorrelation testing. The following provisions for decision making are:

1. d dl or u d 4 dl autocorrelation was found.
2. du d < 4 du no autocorrelation was found
3. dl d du or 4 dl d < 4 du concluded that there was no clear result.

Table 6. Autocorrelation Test Results

Model Summary					
Model	R	R Square	Adjusted RSquare	An error of the Estimate	Durbin-Watson
1	.150 ^a	.023		-.078.00711	1.479

Through the statistical table Model Summary, the results of the DU and DL values are obtained. Thus, this study uses a total sample of 45 (n=45) and a total of 4 independent variables (k=4), so that the DL table value is 1.3357 and the DU table is 1.7200. Thus (4-DU) a total of 2,2800. So it can be said (du d 4 - du), for this model there is no autocorrelation.

Multiple Linear Regression Analysis Test

This test is used for understanding the impact or significance of the independent variables X1, X2, X3.....Xn on the dependent variable (Y). And knowing whether these variables have a positive/negative relationship. Based on table 5 , so that the results of the regression equation are as follows : $Y = 0.014 + 0.000X1 - 0.004X2 - 0.005X3 + 0.004X4$.

this :

1. The results of the regression variable current ratio (X1) have a positive value of 0.000. This illustrates that if CR increases by one unit, there can be an increase in financial performance.
2. The results of the regression variable debt to equity ratio (X2) are -0.004 with a negative sign explaining when (der) has increased by one unit so that it does not have much effect and feels a decrease in the financial performance of 0.004.
3. The result of the regression coefficient of net profit margin (X3) is -0.005 with a negative sign explaining when (npm) there is an increase and an increase of one unit, so there is not much influence and a decrease in the financial performance of 0.005.
4. The results of the return on equity (X4) regression variable are 0.004. So it can be concluded if (roe) increases by one unit so that it can improve financial performance.

T-Test

Based on table 5, the results of the t-test are as follows:

1. From table 3.5 above, it shows a significant 0.566 0.05. The results of this processing illustrate that it is true that the current ratio does not affect the return on assets. For further results, it can be seen that tcount is 0.578. The ttbel result is 2,019. The result of $(n - k = 45 - 4 = 41)$.
2. Meanwhile, tcount is -0.578 2.019 from ttable. These results illustrate the rejection of H_a to the current ratio. The results of the DER test can also be observed to be significant 0.350 0.05. These results illustrate that DER does not affect ROA. Other results can also be observed from the tcount of -0.945 2.019 t-table results. These results illustrate that there is no relationship to DER. Furthermore, the test on the net profit margin can also be observed that the result is 0.763 0.05. This result proves that net profit margin does not affect ROA. Meanwhile tcount -0,303 2,019 from ttable . This result proves that H_a rejects NPM.
3. And the ROE test shows that it is significant 0.638 0.05. These results prove that ROE has no effect and H_a on return on assets. The following can be observed that the calculation result is 0.474 2.019.

F Uji test

This test is carried out to determine whether or not the effect of the independent variable is significant on the dependent variable simultaneously. The following results are obtained through data processing using SPSS 22. Here are the test results:

Table 7. Simultaneous Test Results F

		ANOVA			
Model		Sum of Squares	df	Mean Square	F
1	Regression	.311	4	.078401	4.450
	Residual	.008	39	.000	
	Total	.318	43		

Based on the table above, it can be observed that the probability size (Sig) is 0.000 0.05. The results of fcount 401,450 2.60 ftable results. The result of the table is obtained through the operation of $F(k;n-k) = F(4;41)$, so the calculation result is 2.60. Thus the results of this statistical test can be concluded that the independent variables CR (X1), DER (X2), NPM (X3), ROE (X4) have a significant effect on the dependent variable return on assets (Y).

The Effect of Current Ratio on Financial Performance

Through the results of the t test, it is known that the current ratio with the value of sig. coefficiemts table is 0.566 0.05. And it can also be seen for the t-count results of -0.578 2.019 t-table results. These results prove that CR is not significant, rejects H_a , and does not affect ROA. The Current Ratio is the company's ability to meet its short-term obligations with liquid company assets, but the current ratio does not affect financial performance because large-scale companies tend to be more concerned with the company's ability to meet its long-term obligations. This is not in line with research [9][10][11] which states that the current ratio does not affect Roa.

Debt To Equity Ratio Effect on Financial Performance

Based on the results of the t test, it is known that the debt to equity ratio is observed at the sig. table coefficients value, which is 0.350 0.05. As well as seen again the results of tcount as much as -0.945 2.019 from ttable. These results prove that DER is not significant, rejects H_a , and does not affect ROA. This is because in measuring the company's financial performance, the company is more likely to see in terms of how much the company can generate revenue through increasing the company's operational activities, not from the high or low value of the debt to equity ratio. This is in line with research [12][9][13] who gets a DER does not affect the ROA of financial performance.

Net Profit Margin influence on Financial Performance

Through the partial t test, it is known that the net profit margin at the sig. table coefficients value is 0.763 0.05. Then the results of tcount are -0,303 2,019 from ttable. This result proves that NPM is not significant, rejecting H_a also partially because the NPM variable does not affect ROA. This is because the company's financial performance does not make the net profit margin the main foundation in determining whether the company's financial performance is good. This is not in line with research [14][15][16] who get the NPM does not affect the ROA of financial performance.

Return On Equity influence on Financial Performance

In the partial t test, it is known that the return on equity at the sig. table coefficients value is 0.638 0.05. Then the results of tcount are 0.474 2.019 ttable. These results prove that ROE does not affect ROA. This is because the financial performance of a company does not depend on the size of the return on assets. And for testing the simultaneous f test, the results obtained are that the simultaneous f test proves in the test all independent variables current ratio, debt to equity ratio, net profit margin, and return on equity have a significant effect on financial performance (ROA) [17][18].

IV. CONCLUSION

Based on the results in the testing of this study, it can be concluded that in the partial test (t test) CR, DER, NPM, and ROE have no effect on ROA on food and beverage manufacturing companies. And for the results of the simultaneous test (f test) Sig. 0.000 0.05 and the results of fcount 401.450 2.60 ftable results, then all independent variables affect the dependent variable in manufacturing food and beverages companies listed on the Indonesia Stock Exchange.

Based on the results of this study, there are suggestions expressed by researchers related to the results of this study so that they can be taken into consideration. The suggestion is.

1. For related companies, namely manufacturing companies, to be able to observe and review the Current Ratio (CR) and Net Profit Margin (NPM), because these variables greatly influence the company's financial performance (ROA) process.
2. For the next researcher, to develop this research with other variables further.
3. As well for the next research can increase the observation period.

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